

Mark Young New York Metro

April 29, 1998

To:

Key Account Managers / Account Managers

Division Managers / Retail Managers

Subject: Follow-up Bundling Meeting / May 14-15 @ the ROU

Managers,

When looking ahead to the new Merchandising Contracts that will be resigned in all retail accounts, we have an opportunity to "correct" the big on-going problem that we have with out-of-stocks when the promoted product sells out (in a large percentage of our stores).

Each Division Manager (along with your RM if he reports to you), and each Key Account Manager (along with the input from your AM's) should be prepared to explain to the group your recommended Plan on how to utilize our new contract signing to solve the region's product availability problem as it relates to promoted product, retailers waiting for the SR's to place orders and the out-of-stocks that occur.

Can we use this contract resigning as "Leverage" to solve this problem?

Food for Thought:

must be placed on temporary displays and only non-promoted product will be placed in our permanent displays?
Can we as region truly implement 9 weeks of discount promotion and then turn it off for 4 weeks with non-promoted "Full" displays?
When we resign all accounts to our new contract can we require that a certain number of required brands "MUST" be instock at all times or <u>deletion of payment</u> will be made?
How do we keep our priority brands in stock at all times?

Is it time to change the region policy to all promoted product

Each DM / KAM should be prepared to present their thoughts to the group keeping the presentation to 10 to 15 minutes. Just keep in mind, it's not very often that we resign all contracts and we must approach this project as an opportunity to truly correct the problems that we have give this important project the time that it deserves!

I look forward to a very productive meeting!

Sincerely,

Mark Young

cc: Mike McHugh Rory O'Rourke Jim Guaneri